

Exhibit 288

AMCP COMMISSION MEETING

La Salle Hotel

Chicago

December 13, 1947.

COMMISSION MEMBERS PRESENT: Barrett A. Nelson, M.D., Vice-President; Jay Ketchum, Secretary; Norman M. Scott, M.D., Treasurer; F. L. Feierabend, M.D.; Howard Hassard; Charles G. Hayden, M.D.; Edwin M. Kingery; A. J. Offerman, M.D.; Lester Perry.

COMMISSION MEMBERS ABSENT: L. Howard Schriver, M.D., President; A. W. Adson; Edward J. McCormick; James R. McVay.

OTHERS PRESENT: Howard Brower; Frank E. Smith

The meeting convened at 10:15 A.M. December 13, B. A. Nelson, M.D., Vice-President, presiding in the absence of L. Howard Schriver, M.D., President.

MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting, held in St. Louis on September 18 - 19, were mailed to the Commission members prior to the meeting.

Action Taken: It was moved, seconded, and duly carried, that the minutes of the previous meeting of the Commission be accepted.

RESIGNATIONS FROM THE COMMISSION

Prior to the discussion of the resignations described below, Mr. Howard Brower of the Council on Medical Service was excused from the meeting room.

Mr. Smith read letters of resignation from Dr. E. J. McCormick and Dr. James R. McVay, together with a communication from Dr. A. W. Adson, all three of whom are Commission members, selected to represent the Council on Medical Service of the AMA.

Action Taken: It was moved, seconded, and duly carried, that the resignations of Dr. McCormick and Dr. McVay be accepted, with regret, and with due thanks for their past services and cooperation.

Copies of the letters of resignations mentioned above, together with their acknowledgments, are appended to the original copy of these minutes.

Further Action Taken: It was moved, seconded, and duly carried, that Dr. Adson's letter be received and placed on file.

Further Action Taken: It was moved, seconded, and duly carried, that a communication be sent to the Council on Medical Service, advising them of the

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acceptance of the above resignations, and asking that two names be suggested by the Council on Medical Service so that the Commission might fill the vacancies which now exist.

Mr. Brower was invited to rejoin the meeting for the remainder of the day.

SUGGESTED BUDGET FOR 1948

Mr. Smith distributed copies of AMCP's estimated income for 1948 and a suggested budget of expenditures for the same period.

Commission approval was requested in order that arrangements for new staff members could be completed.

During the discussion of the proposed budget, it was suggested that Mr. Lynn Doctor, who is expected to join the staff on March 1, 1948, in a research capacity, be designated as an assistant to the director.

An item in the amount of \$3600.00, shown in the proposed budget as an expense item for carrying on research work and an item totalling \$10,800.00 for filling a staff position to handle the field of physician relations, were eliminated from the suggested budget. This was done after the Commission had digressed from a discussion of the budget to hear a report from Mr. Ketchum on a proposal to employ Major General Paul Hawley as a chief executive for both AMCP and the Blue Cross Commission. (see the next section of the minutes.)

Action Taken: It was moved, seconded, and duly carried, that the \$3600.00 expense item under research and the \$10,800.00 for physician relations be eliminated from the budget and that the combined amounts (\$14,400.00) be entered in the budget as a general fund, such fund to be used for meeting AMCP's anticipated share of the obligation pertaining to the employment of General Hawley, Commission, Committee, and other meeting expenses.

Further Action Taken: It was moved, seconded, and duly carried, that the amounts to be spent from the general fund for various meeting expenses be left to the discretion of the Director.

Further Action Taken: It was moved, seconded, and duly carried, that the proposed budget for 1948, as amended above, be approved. (Copy attached)

MAJOR GENERAL PAUL HAWLEY

Mr. Ketchum reported on several meetings of the committee which had been appointed by AMCP in September to work with a similar committee from the Blue Cross Commission for the purpose of establishing a suitable working plan to solve the problem of enrolling national accounts.

Members of the AMCP Committee include: Mr. Jay Ketchum; Charles G. Hayden, M.D.; and Mr. A. H. Luthmers.

The Joint Committee concluded, early in its discussions, that no progress could be made toward the solution of the national account problem unless a unified front could be established among medical and hospital plans.

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It was agreed that a membership corporation should be formed, in which AMCP and the Blue Cross Commission and all of their current activities would eventually be merged.

The Board of Directors of such a corporation, it has been proposed, would consist of trustees to be elected by a weighted vote of the member medical and hospital plans, divided in equal numbers between medical and hospital plans, to which might be added representatives from the AMA and AHA and a group of outstanding men from the national community to represent the public.

Some man of national prominence, not now associated with any of the plans, should be selected as executive director of such a membership corporation, whenever formed.

Steaming from this membership corporation and its executive director would be two lines of activity. One line would extend to a Joint Commission, representing medical and hospital plans equally, and functioning at an operating level, members of which would be elected on a district basis as presently followed. The other line would extend to an insurance corporation, organized for the purpose of writing coverage for national accounts.

It was pointed out that the Blue Cross members of the present Joint Committee are perfectly willing to have equal representation of medical and hospital plans at all points in the proposed arrangement.

While the plan, as outlined briefly above, is still being developed by the Committees which were appointed by AMCP and Blue Cross Commission, the recent resignation of Major General Paul Hawley from the V. A. posed a "natural" for everyone concerned. It was felt that General Hawley was precisely the man to head such a proposed membership corporation, although the realization of such a corporation was, admittedly, several months away.

Informally, it was felt by a representative group of AMCP and Blue Cross people that General Hawley ought to be employed immediately, if possible, as a Joint Executive for AMCP and the Blue Cross Commission, as presently constituted, until such time as further proposals could be completed.

Consequently, General Hawley was approached for the purpose of determining his possible interest, the report from which indicated a very keen interest to affiliate with such a movement as represented by AMCP and the Blue Cross Commission.

The Commission was advised that a joint session with the Blue Cross Commission had been arranged for 2:00 P.M. to consider the joint employment of General Hawley.

Action Taken: It was moved, seconded, and duly carried, that AMCP go along with the Blue Cross Commission, to the amount of approximately \$5000.00, on the proposed plan for employing General Hawley, with details of his position to be worked out between AMCP and the Blue Cross Commission.

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Further Action Taken: After an extended discussion of the above proposal with members of the Blue Cross Commission, the AMCP Commission reconvened in order to take the following action. (Report of the discussion during the joint session of the two Commissions is appended to these minutes.)

Action Taken: It was moved, seconded, and duly carried, that the Commission reconsider the action taken during the morning session.

It was moved, seconded and duly carried that Blue Shield engage Major General Paul Hawley as Chief Executive officer, with the understanding that he may also serve as Chief Executive officer of the Blue Cross Commission, at a salary to be determined by the Executive Committee of Blue Shield, and that his major responsibility shall be to assist the Blue Shield plans in the development of an organizational structure adequate to meet their national responsibilities.

It was moved, seconded, and duly carried, that the Executive Committee of the Blue Shield Commission meet with the Executive Committee of the Blue Cross Commission to make such necessary arrangements for the employment of General Hawley as will implement the previous motion.

(Identical motions to those immediately above were passed unanimously by the Blue Cross Commission at a concurrent meeting.)

(It will be noted that in the above motions the terms "Blue Shield plans" and "Blue Shield Commission" were used. The above action was so worded because it followed an action of the Commission to adopt the term "Blue Shield" and appropriate symbol as the official insignia of AMCP and its member plans. This action is described later in these minutes.)

NEW MEMBERS

Three applications for membership in AMCP were presented by Mr. Smith.

Action Taken: It was moved, seconded, and duly carried, that Medical Surgical Service, Inc. of Morgantown, W. Va. be accepted as an Associate member.

Further Action Taken: It was moved, seconded, and duly carried, that Western New York Medical Plan, Buffalo, and United Medical Service, New York City, be accepted as full members.

PETTY CASH ACCOUNT

Mr. Smith reported a recommendation of the auditor to the effect that the authorized amount to be kept in the Petty Cash Account should be increased to \$2500.00.

Action Taken: It was moved, seconded, and duly carried, that the auditor's recommendation, as reported by Mr. Smith, be accepted and the Petty Cash Account be increased to \$2500.00.

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LOS ANGELES CONFERENCE

Mr. Smith called attention to an Interim Report of the Blue Cross program committee for the Los Angeles Conference, which had been approved by the Blue Cross Commission on November 14. Copies of this report were distributed to the Commission members. Since that time, Mr. Ralph Walker, Chairman of the Blue Cross Committee, had selected, tentatively, the leaders for the General Assembly meetings and had requested AMCP approval of these leaders in order that they might be included at the next meeting of the Joint Program Committee.

The men recommended by Mr. Walker included: Mr. Van Steenwyk of Philadelphia for "The Role of the Hospital in Blue Cross Plans"; Mr. Jay Ketchum of Detroit for "The Role of the Doctor in Blue Shield Plans"; Mr. Van Dyk of New York for "The Role of the Public in Non-profit Voluntary Prepayment Plans"; and Dr. Basil McLean of Rochester, New York for "The Role of the Plan Itself in the Prepayment Movement".

Action Taken: It was moved, seconded, and duly carried, that AMCP recommend Dr. Barrett A. Nelson to replace Mr. Ketchum as the leader of the session on "The Role of the Doctor in Blue Shield Plans", and approve the remaining recommendations as submitted by Mr. Walker.

EXECUTIVE COMMITTEE

With the resignation of Dr. McCormick as a member of the Commission, a vacancy was created on the Executive Committee.

Action Taken: It was moved, seconded, and duly carried, that the Secretary be instructed to cast a unanimous ballot for Dr. Hayden to fill the vacancy on the Executive Committee.

BLUE SHIELD

The Commission's attention was directed to a matter of unfinished business from the previous meeting, at which time a recommendation from the Committee on Public Relations to adopt a Blue Shield symbol for AMCP and its member plans was received, but no further action taken.

Because of an objection which had been raised by the Council on Medical Service of the AMA, the Commission had deferred a definite decision on the recommendation of the Public Relations Committee, and the President had been delegated to assert his best efforts to convince the Council on Medical Service of the feasibility of using the Blue Shield symbol by the medically sponsored, non-profit plans.

No further progress had been made toward reaching an agreement with the Council on Medical Service at this point, and the Commission was asked by its Director what further consideration or decision should be made.

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Action Taken: It was moved, seconded, and duly carried, that AMCP adopt the name "Blue Shield" and appropriate identifying symbol as the official insignia for AMCP and its member plans. Further, the combined name and symbol shall be properly registered with the U. S. Patent Office under the revised laws permitting the registration of a service mark. Finally, a communication should be sent to the Council on Medical Service, advising them of this action and the reasons underlying the decision.

Redacted – Privilege

ADJOURNMENT

The meeting of the Commission was adjourned and reconvened several times during the day in order to accommodate discussions with the Blue Cross Commission. Final adjournment occurred at 6:00 P.M.

Associated Medical Care Plans

535 NORTH DEARBORN STREET • TELEPHONE MICHIGAN 9741 • CHICAGO 10, ILLINOIS
FRANK E. SMITH
DIRECTOR

ANTICIPATED INCOME FOR AMCP - 1948

	<u>Per Month</u>	<u>Annual</u>
<u>PRESENT MEMBERS: July 1, 1947 Enrollment</u>		
41 full members	3508.27	42,099.24
4 Associate members (Mississippi, Manitoba, Minnesota, Tennessee)		100.00
<u>NEW MEMBERS: July 1, 1947 Enrollment</u>		
2 full members	582.63	6,991.56
1 Associate member		25.00
	\$ 4090.90	\$ 47,215.80
AMA Balance due at \$1000.00 per mo. until Sept. 1948		8,250.00
		\$ 57,465.80
January 1, 1948 Enrollment,		
Anticipated increase in dues	500.00	6,000.00
	\$ 4590.90	\$ 63,465.80

Note: July 1, 1947 increase at 1/2 mill rate (6 mo. period) amounted to approximately \$300.00. October 1, 1947, increase (3 mo. period) \$132.00. Increase at 2 mill rate would have been approximately \$500.00 for 6 mo. period.

ADDITIONAL INCOME POSSIBILITIES FOR 1948

	<u>Per Month</u>	<u>Annual</u>
April 1, 1948 adjustment in dues, for 9 mo.	200.00	1800.00
July 1, 1948 adjustment, for 6 mo.	200.00	1200.00
October 1, 1948 adjustment, for 3 mo.	200.00	600.00
		\$ 3600.00
New members, depending upon date of acceptance	700.00	

Less income from AMA for 1949 - (\$8250.00 figured in 1948 income.)

AMA loss should be offset in 1949 by increases from adjusted dues and new members during 1948.

OFFICERS AND COMMISSION MEMBERS

L. HOWARD SCHRIVER, M.D., PRESIDENT
OHIO MEDICAL INDEMNITY, INC.
WILLIAM M. BOWMAN, VICE PRESIDENT
CALIFORNIA PHYSICIANS' SERVICE
JAY C. KETCHUM, SECRETARY
MICHIGAN MEDICAL SERVICE
NORMAN M. SCOTT, M.D., TREASURER
MEDICAL SURGICAL PLAN OF NEW JERSEY

A. W. ADSON, M.D.
COUNCIL ON MEDICAL SERVICE, A.M.A.
F. L. FEIERABEND, M.D.
SURGICAL CARE, INC. OF KANSAS CITY, MO.
CHARLES G. HAYDEN, M.D.
MASSACHUSETTS MEDICAL SERVICE
EDWIN M. KINGERY
POLK COUNTY MEDICAL SOCIETY, DES MOINES
EDWARD J. MCCORMICK, M.D.
COUNCIL ON MEDICAL SERVICE, A.M.A.

BARRETT A. NELSON, M.D.
KANSAS PHYSICIANS' SERVICE
ARTHUR J. OFFERMAN, M.D.
NEBRASKA MEDICAL SERVICE
LESTER H. PERRY
MEDICAL SERVICE ASSOCIATION OF PA.
RAYMOND L. ZECH, M.D.
COUNCIL ON MEDICAL SERVICE, A.M.A.

ASSOCIATED MEDICAL CARE PLANS
Suggested Budget for 1948

Salaries:

Director	\$ 12,000.00	
Assistant to the Director	7,200.00	
Veterans' and Special Services (part time)	3,000.00	
Secretarial and office (3 girls)	9,000.00	
	<u>31,200.00</u>	\$ 31,200.00

Travel Expense:

Director	6,000.00	
Assistant to the Director	1,000.00	
Special Services	2,400.00	
	<u>9,400.00</u>	9,400.00

Rent: \$250.00 per month		3,000.00
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Office Expense:

Equipment and Supplies	1,200.00	
Printing	1,000.00	
Postage	500.00	
Telephone	900.00	
Telegraph	600.00	
Literature	300.00	
Miscellaneous	500.00	
	<u>5,000.00</u>	5,000.00

General Fund:

Joint Executive Director	5,000.00	
Commission, Committee and Conference Expenses	4,865.00	
Surplus	5,000.00	
	<u>14,865.00</u>	<u>14,865.80</u>
		63,465.80